

EXIT LOAN RIGHTS OFFERING PROCEDURES

To:

- (1) 2019 Extending Term Lenders (the “*Prepetition Extended Term Loan Lenders*”) under that certain Term Loan Credit Agreement, dated as of October 25, 2013 (as amended, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, including by that certain Refinancing Amendment, dated as of March 13, 2014, and that certain Extension Amendment and Amendment No. 2 to the Credit Agreement, dated as of June 7, 2019 (the “*Prepetition Term Loan Credit Agreement*” and the principal amount of term loans owing to the Prepetition Extended Term Loan Lenders thereunder, the “*Prepetition Extended Term Loan Obligations*”);
- (2) 2013 Term Loans Lenders (the “*Prepetition 2013 Term Loan Lenders*”) under the Prepetition Term Loan Credit Agreement (and the principal amount of term loans owing to the Prepetition 2013 Term Loan Lenders thereunder, the “*Prepetition 2013 Term Loan Obligations*”);
- (3) holders (the “*Prepetition Second Lien Noteholders*”) of the 14.0% Second Lien Notes due 2024 (the “*Prepetition Second Lien Notes*”) under that certain Indenture, dated as of June 7, 2019 (as amended, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the “*Prepetition Second Lien Indenture*” and the principal amount of Prepetition Second Lien Notes owing to the Prepetition Second Lien Noteholders thereunder, the “*Prepetition Second Lien Note Obligations*”);
- (4) holders (the “*Prepetition 8.000% Third Lien Noteholders*”) of the 8.000% Third Lien Senior Secured Notes due 2024 (the “*Prepetition 8.000% Third Lien Notes*”) under that certain Indenture, dated as of June 7, 2019 (as amended, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the “*Prepetition 8.000% Third Lien Indenture*” and the principal amount of Prepetition 8.000% Third Lien Notes owing to the Prepetition 8.000% Third Lien Noteholders thereunder, the “*Prepetition 8.000% Third Lien Note Obligations*”);
- (5) holders (the “*Prepetition 8.750% Third Lien Noteholders*” and together with the Prepetition 8.000% Third Lien Noteholders, the “*Prepetition Third Lien Noteholders*”, and the Prepetition Third Lien Noteholders together with the Prepetition Second Lien Noteholders, the “*Prepetition Noteholders*”) of the 8.750% Senior Secured Third Lien Notes due 2024 (the “*Prepetition 8.750% Third Lien Notes*” and together with the Prepetition 8.000% Third Lien Notes, the “*Prepetition Third Lien Notes*”, and the Prepetition Third Lien Notes together with the Prepetition Second Lien Notes, the “*Prepetition Notes*”) under that certain Indenture, dated as of June 7, 2019 (as amended, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the “*Prepetition 8.750% Third Lien Indenture*”, and together the Prepetition Second Lien Indenture and Prepetition 8.000% Third Lien Notes Indenture, the “*Prepetition Notes Indentures*”, and the principal amount of Prepetition 8.750% Third Lien Notes owing to the Prepetition 8.750% Third Lien Noteholders thereunder, the “*Prepetition 8.750% Third Lien Note Obligations*” and together with the Prepetition 8.000% Third Lien Notes Obligations, the “*Prepetition Third Lien Note Obligations*”, and the Prepetition Third Lien Note Obligations together with the Prepetition Second Lien Note Obligations, the “*Prepetition Note Obligations*”); and
- (6) holders (the “*Prepetition Debenture Holders*”) of the 7.125% Senior Debentures due 2028 (the “*Prepetition Debentures*”) issued pursuant to an indenture dated as of May 27, 1988 (as amended, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, including by the first supplemental indenture, dated as of July 11, 2006, the second supplemental indenture, dated as of August 14, 2006, and the third supplemental indenture, dated as of June 7, 2019, the “*Prepetition Debenture Indenture*” and the principal amount of Prepetition Debentures owing to the Prepetition Debenture Holders thereunder, the “*Prepetition Debenture Obligations*”).

**IMPORTANT NOTICE TO PREPETITION EXTENDED TERM LOAN LENDERS,
PREPETITION 2013 TERM LOAN LENDERS, PREPETITION NOTEHOLDERS AND PREPETITION
DEBENTURE HOLDERS REGARDING THE EXIT LOAN RIGHTS OFFERING**

IF YOU ELECT TO PARTICIPATE AS AN EXIT LENDER IN THE EXIT FACILITY, YOU WILL BE ENTERING INTO A BINDING LEGAL COMMITMENT WITH THE COMPANY (AS DEFINED BELOW) TO PROVIDE DEBT FINANCING TO REORGANIZED NEIMAN (AS DEFINED IN THE PLAN, AS DEFINED BELOW) (THE “*BORROWER*”).

THE EXIT LOAN RIGHTS OFFERING IS NOT BEING GIVEN TO PREPETITION EXTENDED TERM LOAN LENDERS, PREPETITION 2013 TERM LOAN LENDERS, PREPETITION NOTEHOLDERS OR PREPETITION DEBENTURE HOLDERS IN ANY JURISDICTION IN WHICH THE ACCEPTANCE OF THE EXIT LOAN RIGHTS OFFERING OR MAKING AN OFFER IN CONNECTION THEREWITH WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION.

THE EXIT LOAN RIGHTS OFFERING IS BEING MADE ONLY TO ELIGIBLE HOLDERS.

EXPIRATION TIME

YOUR OPPORTUNITY TO ELECT TO BECOME AN EXIT LENDER IN THE EXIT FACILITY WILL EXPIRE AT 4:00 P.M., NEW YORK CITY TIME, ON AUGUST 3, 2020 (SUCH DATE AND TIME, AS THE SAME MAY BE EXTENDED OR EARLIER TERMINATED IN ACCORDANCE WITH THE PLAN, THE “*SUBSCRIPTION DEADLINE*”). THERE ARE NO WITHDRAWAL RIGHTS ONCE THE APPLICABLE SUBSCRIPTION FORM ATTACHED TO THESE EXIT LOAN RIGHTS OFFERING PROCEDURES IS VALIDLY DELIVERED.

IF THE COMPANY AND THE CONSENTING TERM LOAN LENDER GROUP (AS DEFINED IN THE RSA (AS DEFINED BELOW)) DETERMINE TO ALLOW YOU TO WITHDRAW YOUR COMMITMENT, INCLUDING IN THE EVENT A MATERIAL CHANGE CAUSES THE COMPANY AND CONSENTING TERM LOAN LENDER GROUP TO UPDATE THE INFORMATION RELATING TO THE EXIT LOAN RIGHTS OFFERING AND EXTEND THE SUBSCRIPTION DEADLINE, ANY SUCH WITHDRAWAL WILL BE LIMITED AS SET FORTH IN ANY NOTICE THEREOF.

IMPORTANT NOTE FOR PREPETITION NOTEHOLDERS AND PREPETITION DEBENTURE HOLDERS: YOUR SUBSCRIPTION DOCUMENTS MUST BE RECEIVED BY YOUR NOMINEE WITH SUFFICIENT TIME TO ALLOW YOUR NOMINEE TO COMPLETE THE NOMINEE CERTIFICATION ON YOUR BEHALF AND DELIVER IT TO THE AGENT BY THE SUBSCRIPTION DEADLINE.

NO SUBSCRIPTION FORM SUBMISSION FOR THE EXIT LOAN RIGHTS OFFERING WILL BE VALID IF DELIVERED AFTER THE SUBSCRIPTION DEADLINE. THE COMPANY, THE AGENT AND THE CONSENTING TERM LOAN LENDER GROUP WILL DETERMINE WHETHER A SUBSCRIPTION FORM TRANSMITTING AN ELIGIBLE HOLDER’S COMMITMENT TO PARTICIPATE HAS BEEN VALIDLY SUBMITTED AND WHETHER TO ACCEPT ANY SUBSCRIPTION FORM THAT HAS NOT BEEN VALIDLY EXECUTED AND DELIVERED. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, EACH MEMBER OF THE CONSENTING TERM LOAN LENDER GROUP AND THE CONSENTING NOTEHOLDER GROUP (AS DEFINED IN THE RSA (AS DEFINED BELOW)) SHALL AUTOMATICALLY BE DEEMED TO HAVE ELECTED TO PARTICIPATE IN THE EXIT LOAN RIGHTS OFFERING (UNLESS IT ELECTS OTHERWISE IN WRITING) AND SHALL NOT BE REQUIRED TO SUBMIT ANY SUBSCRIPTION DOCUMENTS TO THE AGENT ON OR BEFORE THE SUBSCRIPTION DEADLINE IN ORDER TO PARTICIPATE IN THE EXIT LOAN RIGHTS OFFERING.

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THE CONSENTING TERM LOAN LENDER GROUP, THE AGENT AND THE COMPANY MAY AMEND THE TERMS OF THE EXIT LOAN RIGHTS OFFERING, INCLUDING THIS SUBSCRIPTION FORM AND THE OTHER SUBSCRIPTION DOCUMENTS, AT ANY TIME UPON THEIR MUTUAL AGREEMENT.

YOUR PARTICIPATION IN THE EXIT LOAN RIGHTS OFFERING IS SUBJECT TO YOU PROVIDING THE ADMINISTRATIVE QUESTIONNAIRE AND ALL KNOW-YOUR-CUSTOMER INFORMATION, TAX FORMS, AND OTHER DOCUMENTS REQUIRED BY THE AGENT AND THE AGENT’S

SATISFACTORY REVIEW OF SUCH INFORMATION AND DOCUMENTS (AS DETERMINED IN THE SOLE DISCRETION OF THE AGENT).

TERMS USED IN THIS BOX SHALL HAVE THE MEANINGS SET FORTH IN THESE EXIT LOAN RIGHTS OFFERING PROCEDURES.

Attachments to the Exit Loan Rights Offering Procedures:

Annex I-A	Subscription Form
Annex I-B	Nominee Certification of Record Date Holdings (for Prepetition Noteholders Only)
Annex I-C	Nominee Certification of Record Date Holdings (for Prepetition Debenture Holders Only)
Annex II	Signature Page to the Exit Facility Credit Agreement
Annex III	Administrative Questionnaire
Annex IV	Description of Required KYC Information
Annex V	Description of Required Tax Forms
Annex VI	Designation Notice
Exhibit A	Exit Facility Term Sheet

To the Prepetition Extended Term Loan Lenders, Prepetition 2013 Term Loan Lenders, Prepetition Noteholders and Prepetition Debenture Holders:

On May 7, 2020, Neiman Marcus Group LTD LLC, a Delaware limited liability company (the “*Company*”) and certain of its affiliates and direct and indirect subsidiaries (together with the Company, the “*Debtors*”) filed voluntary petitions for relief under the provisions of Chapter 11 of Title 11 of the United States Code (“*Bankruptcy Code*”) in the United States Bankruptcy Court for the Southern District of Texas (the “*Bankruptcy Court*”). In connection with the foregoing, on May 7, 2020, the Debtors, certain Prepetition Extended Term Loan Lenders, certain Prepetition Noteholders, and certain Prepetition Debenture Holders, executed that certain Restructuring Support Agreement (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “*RSA*”). Thereafter, certain additional Prepetition Extended Term Loan Lenders, Prepetition Noteholders and Prepetition Debenture Holders executed joinders to become party to the RSA. On June 6, 2020, the Debtors, with the support of the Exit Backstop Parties (defined below), filed a plan of reorganization (the “*Plan*”) and related disclosure statement (the “*Disclosure Statement*”), each of which is available at <http://cases.stretto.com/NMG>.

Attached to the RSA, and attached hereto as Exhibit B, is the Exit Facility Term Sheet, which sets forth the material terms for the \$750,000,000 exit term loan facility (the “*Exit Facility*”) and the commitments in respect thereto, the “*Exit Commitments*”), which was backstopped by certain Prepetition Extended Term Loan Lenders, Prepetition Noteholders and Prepetition Debenture Holders in accordance with the RSA (the “*Exit Backstop Parties*”). Cortland Products Corp. or another entity satisfactory to the Consenting Term Loan Lender Group and the Company will act as Administrative Agent and Collateral Agent for the Exit Facility (in such capacity, the “*Agent*”). The Plan provides that pursuant to the Exit Loan Rights Offering (as defined below), each Eligible Holder (as defined below) may participate in the Exit Facility in an aggregate principal amount of Exit Commitments not to exceed its: (i) Extended Term Loan Exit Ratable Share (as defined below) for Prepetition Extended Term Loan Lenders, (ii) Prepetition 2013 Term Loan Exit Ratable Share (as defined below) for Prepetition 2013 Term Loan Lenders, (iii) Prepetition Debenture Exit Ratable Share (as defined below) for Prepetition Debenture Holders, (iv) Prepetition 2L Note Exit Ratable Share (as defined below) for Prepetition Second Lien Noteholders, and (v) Prepetition 3L Note Exit Ratable Share (as defined below) for Prepetition Third Lien Noteholders, in each case, subject to the procedures and documentation detailed herein.

Pursuant to and subject to the terms hereof, Prepetition Extended Term Loan Lenders, Prepetition 2013 Term Loan Lenders, Prepetition Debenture Holders and Prepetition Noteholders as of July 15, 2020 (the “*Record Date*”) are being given notice of their rights (the “*Exit Loan Rights Offering*”) to be a lender under the Exit Facility (an “*Exit Lender*”).

Only entities that are (i) a Prepetition Extended Term Loan Lender, a Prepetition 2013 Term Loan Lender, a Prepetition Noteholder or a Prepetition Debenture Holder, in each case on the Record Date, (ii) not the Company, the Borrower or a direct or indirect parent of the Company or the Borrower (which, for the avoidance of doubt, shall not include the funds controlled by the Sponsors) or subsidiary of the Company or the Borrower (all such entities, collectively, that meet the foregoing are referred to herein as “*Eligible Holders*”) may participate in the Exit Loan Rights Offering. For the avoidance of doubt, natural persons shall not be Eligible Holders. If you are not an Eligible Holder, you may not participate in the Exit Loan Rights Offering. The Company and (i) in the case of each prospective Eligible Holder that is a Prepetition Extended Term Loan Lender, a Prepetition 2013 Term Lender, and/or Prepetition Debenture Holder, the Consenting Term Loan Lender Group, and (ii) in the case of each prospective Eligible Holder that is a Prepetition Noteholder, the Consenting Noteholder Group shall mutually determine, in their reasonable discretion, whether any such entity is an Eligible Holder for purposes of participation in the Exit Loan Rights Offering. Each Eligible Holder has the right to designate, using the Designation Notice attached as Annex VI (the “*Designation Notice*”), that one or more of its affiliates or funds or accounts that are managed, advised, or sub-advised by such Eligible Holder or its affiliates (each, a “*Related Lender*”) participate as an Exit Lender for some or all of its pro rata portion of the Exit Term Loans.

Please use the subscription form attached hereto as Annex I-A (the “*Subscription Form*”) to transmit your election, if any.

To participate in the Exit Loan Rights Offering, you must (i) complete and duly execute (a) the Subscription Form attached hereto as Annex I-A, (b) a signature page to the Exit Facility Credit Agreement attached hereto as

Annex II, which signature page will be deemed released upon satisfaction of the conditions precedent to the Exit Effective Date set forth in the Exit Facility Credit Agreement, (c) an Administrative Questionnaire attached hereto as Annex III, (d) all know your customer information and other documents required by the Agent as described in Annex IV (the “**KYC Information**”), (e) the applicable tax forms as described in Annex V, and (f) such other documents as the Agent may reasonably require (collectively, the “**Subscription Documents**”), and (ii) deliver (or cause to be delivered) such Subscription Documents to the Agent on or before the Subscription Deadline as instructed below. If you are a Prepetition Noteholder or a Prepetition Debenture Holder, you must provide the nominee holding your Prepetition Notes or Prepetition Debentures with sufficient time to allow your nominee to complete the nominee certification attached hereto as Annex I-B (for Prepetition Noteholders) or Annex I-C (for Prepetition Debenture Holders) on your behalf and deliver it to the Agent on or prior to the Subscription Deadline. If your Prepetition Notes or Prepetition Debentures are held through one or more nominees, each nominee must complete a Nominee Certification for the respective Prepetition Notes or Prepetition Debentures held.

Notwithstanding anything to the contrary set forth herein, each member of the Consenting Term Loan Lender Group and the Consenting Noteholder Group that is a Prepetition Extended Term Loan Lender, Prepetition 2013 Term Loan Lender, Prepetition Debenture Holder, Prepetition Second Lien Noteholder or Prepetition Third Lien Noteholder shall automatically (unless it elects otherwise in writing) be deemed to have provided its notice of election to participate in the Exit Loan Rights Offering in respect of such holdings upon executing the RSA and shall not be required to deliver the Subscription Documents.

Exit Facility Summary

The Exit Facility consists of term loans in an aggregate principal amount of \$750,000,000 (the “**Total Exit Amount**” and such term loans, the “**Exit Term Loans**”).¹ The Exit Facility Term Sheet is attached hereto as Exhibit B. Amounts available under the Exit Facility will be available in a single draw on the Exit Effective Date (defined below). The proceeds of the Exit Term Loans will be used to refinance the DIP facility and for general corporate purposes of the Borrower and its Subsidiaries.

The definitive documentation for the Exit Facility (the “**Exit Facility Credit Agreement**”) will, except as otherwise set forth in the Exit Facility Term Sheet, be based on the Prepetition Term Loan Credit Agreement, with such other terms and conditions as may be reasonably agreed between the Debtors, the Required Consenting Term Loan Lenders (as defined in the RSA), and to the extent that the Consenting Noteholders (as defined in the RSA) would reasonably be expected to be affected in a disproportionately adverse manner relative to the other Exit Lenders, the Required Consenting Noteholders (as defined in the RSA). The Exit Facility Credit Agreement is expected to be filed on the Debtors’ docket with the Bankruptcy Court related to their Chapter 11 Cases with a plan supplement after the Subscription Deadline but prior to confirmation of the Plan (as defined in the RSA).

The Exit Facility will mature on the date that is five years after the effective date of the Exit Facility, which effective date shall be substantially contemporaneous with the effective date of the Plan (the “**Exit Effective Date**”).

Interest on the Exit Term Loans will accrue at a rate of the Adjusted LIBO Rate plus 12.0% per annum or ABR plus 11.0% per annum, and shall be payable in cash on, (i) in the case of Adjusted LIBO Rate Exit Term Loans, the last day of each interest period applicable to such Exit Term Loans and the Maturity Date, and, (ii) in the case of ABR Exit Term Loans, the last Business Day of each calendar quarter and the Maturity Date, in each case, unless otherwise provided for in the Exit Facility Credit Agreement. With respect to the Exit Facility, there is also a LIBOR floor of 1.00%.

Each Exit Lender under the Exit Facility shall receive it pro rata share of a participation fee equal to 30.00% of the Reorganized Equity, which fee shall be earned and payable on the Exit Effective Date. However, for the

¹ The Exit Facility Term Sheet contemplates the possibility that some portion of the Exit Facility will be issued in the form of notes with substantially identical terms to the Exit Term Loans and voting together with the Exit Term Loans. The Subscription Form provides for the opportunity to express interest in a portion of the Exit Facility being made available as notes with substantially identical terms to the Exit Term Loans. There are no guarantees that this option will be available, that if available any particular portion of the Exit Facility will be issued as notes, or that there will be a liquid trading market in any such notes.

avoidance of doubt, the backstop fee contemplated by the RSA in respect of the Exit Facility in an amount equal to 6.50% of the principal amount of the Exit Facility is *not* being offered pursuant to these Exit Loan Rights Offering Procedures and participation in the Exit Loan Rights Offering will *not* entitle you to any portion of such fee.

The foregoing description of the Exit Facility is a summary only and does not purport to be complete. It is subject to and qualified in its entirety by reference to the Exit Facility Term Sheet, the Exit Facility Credit Agreement (which has not yet been finalized) and the other definitive documentation (which has not yet been finalized). All terms used but not defined in this section shall have the meanings assigned to them in the Exit Facility Term Sheet.

Each Eligible Holder (a) that is a Prepetition Extended Term Loan Lender may elect to participate in the Exit Term Loans in an amount not to exceed (1) the quotient equal to (x) the aggregate principal amount of the Prepetition Extended Term Loan Obligations held by such Eligible Holder on the Record Date divided by (y) the aggregate principal amount of Prepetition Extended Term Loan Obligations held by all Prepetition Extended Term Loan Lenders at such time, (2) multiplied by 87.5%, (3) multiplied by the Total Exit Amount (such amount, its “***Extended Term Loan Exit Ratable Share***”); (b) that is a Prepetition 2013 Term Loan Lender may elect to participate in the Exit Term Loans in an amount not to exceed (1) the quotient equal to of (x) the aggregate principal amount of the Prepetition 2013 Term Loan Obligations held by such Eligible Holder on the Record Date divided by (y) the aggregate principal amount of Prepetition 2013 Term Loan Obligations held by all Prepetition 2013 Term Loan Lenders at such time, (2) multiplied by 0.2%, (3) multiplied by the Total Exit Amount (such amount, its “***Prepetition 2013 Term Loan Exit Ratable Share***”); (c) that is a Prepetition Debenture Holder may elect to participate in the Exit Term Loans in an amount not to exceed (1) the quotient equal to (x) the aggregate principal amount of the Prepetition Debenture Obligations beneficially owned by such Eligible Holder on the Record Date divided by (y) the aggregate principal amount of Prepetition Debenture Obligations held by all Prepetition Debenture Holders at such time, (2) multiplied by 2.8%, (3) multiplied by the Total Exit Amount (such amount, its “***Prepetition Debenture Exit Ratable Share***”); (d) that is a Prepetition Second Lien Noteholder may elect to participate in the Exit Term Loans in an amount not to exceed (1) the quotient equal to (x) the aggregate principal amount (including all interest required to have been capitalized as of April 15, 2020) of the Prepetition Second Lien Note Obligations beneficially owned by such Eligible Holder on the Record Date divided by (y) the aggregate principal amount (including all interest required to have been capitalized as of April 15, 2020) of Prepetition Second Lien Note Obligations held by all Prepetition Second Lien Noteholders at such time, (2) multiplied by 1.0%, (3) multiplied by the Total Exit Amount (such amount, the “***Prepetition 2L Note Exit Ratable Share***”) and (e) that is a Prepetition Third Lien Noteholder may elect to participate in the Exit Term Loans in an amount not to exceed (1) the quotient equal to (x) the aggregate principal amount of the Prepetition Third Lien Note Obligations beneficially owned by such Eligible Holder on the Record Date divided by (y) the aggregate principal amount of Prepetition Third Lien Note Obligations held by all Prepetition Third Lien Noteholders at such time, (2) multiplied by 8.5%, (3) multiplied by the Total Exit Amount (such amount, the “***Prepetition 3L Note Exit Ratable Share***”).

The Exit Commitments per \$1,000 of prepetition debt held or beneficially owned by each Eligible Holder and with respect to which each Eligible Holder subscribes will be as set forth below:

	Exit Commitments per \$ 1,000 of prepetition debt
Prepetition Extended Term Loan Lenders	\$292.79452844674
Prepetition 2013 Term Loan Lenders	\$112.83985508494
Prepetition Debenture Holders	\$170.57591623037
Prepetition Second Lien Noteholders	\$12.96265143265 ²
Prepetition Third Lien Noteholders	\$51.89748817378

Eligible Holders will not have oversubscription rights. Any unsubscribed portion of the Exit Term Loans shall be allocated to the Exit Backstop Parties in accordance with their rights.

Commencing on the Record Date, if any Eligible Holder shall transfer, sell or assign any of its Prepetition Extended Term Loan Obligations, Prepetition 2013 Term Loan Obligations, Prepetition Note Obligations and/or Prepetition Debenture Obligations, such transfer, sale or assignment shall result in such person no longer constituting an Eligible Holder hereunder. Nothing in this paragraph shall be construed to permit any person other than an Eligible Holder to participate as an Exit Lender in the Exit Facility.

Your commitment to participate in the Exit Loan Rights Offering may not be withdrawn, unless otherwise mutually determined by the Company, the Agent and (i) in the case of the Prepetition Extended Term Loan Lenders, the Prepetition 2013 Term Loan Lenders and/or the Prepetition Debenture Holders, the Consenting Term Loan Lender Group, and (ii) in the case of the Prepetition Noteholders, the Consenting Noteholder Group. The Company, the Agent and (i) in the case of the Prepetition Extended Term Loan Lenders, the Prepetition 2013 Term Loan Lenders and/or the Prepetition Debenture Holders, the Consenting Term Loan Lender Group, and (ii) in the case of the Prepetition Noteholders, the Consenting Noteholder Group will determine whether any holder is an Eligible Holder, has made the representations in the Subscription Form, has properly executed and delivered the required documentation, and whether to reject or accept any subscription to participate that has not been properly completed and delivered.

Your participation in the Exit Loan Rights Offering is subject to you (or, if applicable, your designee) providing the administrative questionnaire, all know-your-customer information, tax forms and other documents required by the Agent and the Agent's satisfactory review of such information and documents (as determined in the sole discretion of the Agent).

If the syndication process is terminated for any reason, the Subscription Documents submitted by participating Eligible Holders will terminate.

Before you deliver the executed Subscription Documents, please carefully review (i) the filings on the Debtors' docket with the Bankruptcy Court related to their Chapter 11 Cases, available at <https://cases.stretto.com/NMG> (the "**Bankruptcy Filings**") and (ii) the Disclosure Statement, the Plan and the Exit Facility Term Sheet.

² This figure was calculated using the aggregate principal amount (including all interest required to have been capitalized as of April 15, 2020) of Prepetition Second Lien Note Obligations held by all Prepetition Second Lien Noteholders as of the Record Date, which is \$578.6 million. Capitalized interest in April 2020 was not paid-in-kind; the principal balance, without giving effect to the April PIK payment as of the Record Date is actually \$561.7 million.

Participating as an Exit Lender in the Exit Facility entails risks, including, but not limited to, the risk that the Borrower may be liquidated or unsuccessful in executing its business plan, and as a result the Borrower may be unable to meet its obligations under the Exit Facility and to repay all or part of your loans under the Exit Facility.

Notwithstanding anything to the contrary herein, the Consenting Term Loan Lender Group, the Agent and the Company may amend or modify the terms of the Exit Loan Rights Offering, in each case, including the Subscription Form and the other Subscription Documents, at any time, by filing a notice of such amendment or modification on the Debtors' docket with the Bankruptcy Court related to the Chapter 11 Cases; provided that nothing in these Exit Loan Rights Offering Procedures shall be construed to supersede the amendment and modification requirements set forth in the Exit Facility Term Sheet.

SUBSCRIPTION FORM

IMPORTANT

PLEASE READ AND FOLLOW THE ATTACHED INSTRUCTIONS CAREFULLY. YOU MUST COMPLETE, SIGN, DATE AND DELIVER THIS SUBSCRIPTION FORM AND THE OTHER SUBSCRIPTION DOCUMENTS (INCLUDING, TO THE EXTENT APPLICABLE, TO YOUR NOMINEE WITH SUFFICIENT TIME TO ALLOW YOUR NOMINEE TO COMPLETE THE NOMINEE CERTIFICATION ON YOUR BEHALF) AND DELIVER THEM TO THE AGENT BEFORE THE SUBSCRIPTION DEADLINE, WHICH DELIVERY WILL CONSTITUTE YOUR COMMITMENT AS AN EXIT LENDER.

EACH ELIGIBLE HOLDER HAS THE RIGHT TO DESIGNATE, USING THE DESIGNATION NOTICE, THAT ONE OR MORE RELATED ENTITIES PARTICIPATE AS AN EXIT LENDER FOR SOME OR ALL OF ITS PRO RATA SHARE OF THE EXIT TERM LOANS UNDER THE EXIT FACILITY.

IF SUCH SUBSCRIPTION DOCUMENTS ARE NOT COMPLETED, DULY EXECUTED AND RECEIVED BY THE AGENT AT OR BEFORE THE SUBSCRIPTION DEADLINE, THE INSTRUCTION TRANSMITTED BY THIS SUBSCRIPTION FORM WILL NOT BE COUNTED.

YOU SHOULD REVIEW THE BANKRUPTCY FILINGS, THE EXIT LOAN RIGHTS OFFERING PROCEDURES AND THE INSTRUCTIONS CONTAINED HEREIN BEFORE YOU ELECT TO PARTICIPATE IN THE EXIT LOAN RIGHTS OFFERING. YOU MAY WISH TO SEEK LEGAL AND/OR FINANCIAL ADVICE CONCERNING THE EXIT LOAN RIGHTS OFFERING.

Capitalized terms used herein but not defined herein have the meanings ascribed to them in the Exit Loan Rights Offering Procedures to which this Subscription Form is attached.

Item 1. Representations of the Holder. The undersigned hereby represents and warrants that it:

- is (i) a Prepetition Extended Term Loan Lender, a Prepetition 2013 Term Loan Lender, a Prepetition Noteholder or a Prepetition Debenture Holder, as applicable, in each case on the Record Date, (ii) not the Company or a direct or indirect parent (which, for the avoidance of doubt, shall not include the funds controlled by the Sponsors) or subsidiary of the Company, and (iii) not a natural person;
- has received, or has been accorded the opportunity to receive or have access to, copies of the Exit Facility Term Sheet, the Disclosure Statement and the Plan, and has received, or has been accorded the opportunity to receive or have access to such documents and information as it deems appropriate to make its own credit analysis and decision to participate in the funding of the Exit Facility (including access to the docket of the Debtors' Chapter 11 Cases); and
- has (i) independently and without reliance on the Agent, any other Exit Lender or potential Exit Lender, the Exit Backstop Parties, any of the Debtors, or any agent or trustee under the Prepetition Term Loan Credit Agreement, the Prepetition Debenture Indenture or any Prepetition Notes Indenture, and (ii) based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to participate in the funding of the Exit Facility.

Each Eligible Holder further authorizes the Agent to act and rely upon (and acknowledges and agrees that the Agent shall be fully protected in acting and relying upon) instructions and/or information from the Company, the Agent, the Consenting Term Loan Lender Group, the Consenting Noteholder Group and their counsel and advisors in effectuating the transactions contemplated by this Subscription Form.

Item 2. Exit Loan Rights Offering Eligibility. The undersigned certifies that, as of the Record Date, the undersigned was an Eligible Holder of Prepetition Extended Term Loan Obligations, Prepetition 2013 Term Loan Obligations, Prepetition Second Lien Note Obligations, Prepetition Third Lien Note Obligations and/or Prepetition Debenture Obligations in the following principal amounts (insert principal amount of holdings in the boxes below):

Name / Address³	
(A) Total Principal Amount of Prepetition Extended Term Loan Obligations as of the Record Date⁴	
(B) Total Principal Amount of Prepetition 2013 Term Loan Obligations as of the Record Date	
(C) Total Principal Amount (including all interest required to have been capitalized as of April 15, 2020) of Prepetition Second Lien Note Obligations as of the Record Date	
(D) Total Principal Amount of Prepetition Third Lien Note Obligations as of the Record Date	
(E) Total Principal Amount of Prepetition Debenture Obligations as of the Record Date	

Item 3. Participation in the Exit Loan Rights Offering. The undersigned elects to participate in the Exit Loan Rights Offering in the following principal amounts (insert principal amount of election in the boxes below)⁵:

Name / Address⁶	
(A) Principal amount of Prepetition Extended Term Loan Obligations as of the Record Date electing to participate in the Exit Loan Rights Offering	

³ Manager must submit a separate Subscription Form for each sub fund or account.

⁴ For purposes of determining beneficial ownership on the Record Date for participation in the Exit Loan Rights Offering, unless otherwise mutually determined by the Company, the Agent, the Consenting Term Loan Lender Group and the Consenting Noteholder Group, such ownership shall be determined on the basis of only settled trades.

⁵ If you elect to participate 100% of your holdings, numbers in Item 2 and Item 3 should be identical.

⁶ Manager must submit separate Subscription Form for each sub fund or account.

<p>(B) Principal amount of Prepetition 2013 Term Loan Obligations as of the Record Date electing to participate in the Exit Loan Rights Offering</p>	
<p>(C) Principal amount (including all interest required to have been capitalized as of April 15, 2020) of Prepetition Second Lien Note Obligations as of the Record Date electing to participate in the Exit Loan Rights Offering</p>	
<p>(D) Principal amount of Prepetition Third Lien Note Obligations as of the Record Date electing to participate in the Exit Loan Rights Offering</p>	
<p>(E) Principal amount of Prepetition Debenture Obligations as of the Record Date electing to participate in the Exit Loan Rights Offering</p>	

Item 4. Interest in Notes. The Exit Facility Term Sheet contemplates the possibility that some portion of the Exit Facility will be issued in the form of notes. Please mark the box below to indicate your interest in a portion of the Exit Facility being made available as notes with substantially identical terms to the Exit Term Loans.

There are no guarantees that this option will be available, that if available any particular portion of the Exit Facility will be issued as notes, or that there will be a liquid trading market in any such notes. This is not a commitment by the Company or the Borrower to make notes available and any decision will be made after the Subscription Deadline. You should not rely on the possibility of taking your share of the Exit Facility in the form of notes in making your subscription decision.

Item 5. Certification. By signing this Subscription Form, the undersigned certifies that it understands that the right to participate in the Exit Loan Rights Offering is subject to all the terms and conditions set forth in the Exit Loan Rights Offering Procedures and agrees that the commitment to participate in the Exit Facility constitutes an irrevocable commitment in the amount resulting from the amount described under Item 3 above.

Name of Eligible Holder:

(Print or Type)

Federal Tax I.D. No.: _____
(If Applicable)

Signature: _____

Print Name: _____

Title: _____

Facsimile Number: _____

Email Address: _____

Street Address: _____

City, State, Zip Code: _____

Telephone: () _____

Date Completed: _____

THE SUBSCRIPTION DOCUMENTS MUST BE RECEIVED BY THE AGENT, DUCERA PARTNERS LLC (“DUCERA”), HOULIHAN LOKEY (“HOULIHAN”), COUNSEL TO THE CONSENTING TERM LOAN LENDER GROUP AND COUNSEL TO THE CONSENTING NOTEHOLDER GROUP AT THE EMAIL ADDRESS SET FORTH BELOW BEFORE 4:00 P.M., NEW YORK CITY TIME, ON AUGUST 3, 2020, OR THE INSTRUCTIONS TRANSMITTED HEREBY WILL NOT BE COUNTED.

Email Address: neimansyndication@ducerapartners.com

INSTRUCTIONS FOR COMPLETING THE SUBSCRIPTION FORM

EXPIRATION TIME:

The Subscription Deadline is 4:00 p.m., New York City Time, on August 3, 2020, unless extended or earlier terminated. To elect to participate in the Exit Loan Rights Offering, you must complete, sign and return this Subscription Form and the other Subscription Documents (including, to the extent applicable, to your nominee with sufficient time to allow your nominee to complete the Nominee Certification on your behalf) so that it is received by the Agent, Ducera, Houlihan, counsel to the Consenting Term Loan Lender Group and counsel to the Consenting Noteholder Group at the following email address no later than the Subscription Deadline: neimansyndication@ducerapartners.com.

To effect a subscription, you must take the following steps:

- a. Review the representations in Item 1 of the Subscription Form attached as Annex I-A to the Exit Loan Rights Offering Procedures;
- b. In Item 2 of the Subscription Form, specify the amount of Prepetition Extended Term Loan Obligations, Prepetition 2013 Term Loan Obligations, Prepetition Second Lien Note Obligations, Prepetition Third Lien Note Obligations and/or Prepetition Debenture Obligations you held or beneficially owned as of the Record Date;
- c. In Item 3 of the Subscription Form, specify the amount of Prepetition Extended Term Loan Obligations, Prepetition 2013 Term Loan Obligations, Prepetition Second Lien Note Obligations, Prepetition Third Lien Note Obligations and/or Prepetition Debenture Obligations on behalf of which you would like to participate in the Exit Loan Rights Offering (Please note: this does not need to be the same amounts as in Item 2, but if you want to subscribe in full, numbers in Item 2 and Item 3 should match);
- d. In Item 4 of the Subscription Form, check the box if you would be interested in holding your pro rata share of the Exit Facility in the form of notes rather than Exit Term Loans (this is not a commitment by the Company or the Borrower to make notes available and any decision as to the availability of this option will be made after the Subscription Deadline);
- e. Review the certification in Item 5 of the Subscription Form;
- f. In Item 5, sign and date the Subscription Form, and provide the remaining information requested;
- g. Complete, execute and deliver to the Agent, Ducera, Houlihan, counsel to the Consenting Term Loan Lender Group and counsel to the Consenting Noteholder Group before the Subscription Deadline (i) a signature page to the Exit Facility Credit Agreement attached as Annex II to the Exit Loan Rights Offering Procedures, which signature page shall be deemed released upon satisfaction of the conditions precedent to the Exit Effective Date set forth in the Exit Facility Credit Agreement, (ii) the Administrative Questionnaire attached as Annex III to the Exit Loan Rights Offering Procedures, (iii) relevant tax forms as described in Annex V to the Exit Loan Rights Offering Procedures, (iv) the Designation Notice attached as Annex VI to the Exit Loan Rights Offering Procedures to the extent you wish to designate a Related Lender to participate as an Exit Lender for some or all of your ratable share of the Exit Commitments, and (iv) such other documents as the Agent reasonably requires;
- h. If you are a Prepetition Noteholder and/or Prepetition Debenture Holder, coordinate with the nominee holding your Prepetition Notes and/or Prepetition Debentures to arrange for delivery of the completed Subscription Documents to the nominee's offices (or electronically) and instruct your nominee to complete the Nominee Certification attached as Annex I-B (for Prepetition Noteholders) or Annex I-C (for Prepetition Debenture Holders) to the Exit Loan Rights Offering Procedures and deliver the completed, executed Subscription Documents so as to be received by the Agent before the Subscription Deadline; and

- i. Complete, execute (as necessary) and deliver to the Agent before the Subscription Deadline each of the documents specified in Annex IV to the Exit Loan Rights Offering Procedures as the KYC Information.

PLEASE NOTE:

IF YOU HAVE ANY QUESTIONS REGARDING THIS SUBSCRIPTION FORM, ANY OTHER SUBSCRIPTION DOCUMENTS OR THE PROCEDURES RELATED HERETO, PLEASE CALL (1) THE AGENT AT (512) 771-3313 OR (312) 371-3152, (2) DUCERA AT (212) 671-9719, (3) HOULIHAN AT (646) 269-7330 OR (4) COUNSEL TO THE CONSENTING TERM LOAN LENDER GROUP AT (212) 403-1001.

Your participation in the Exit Loan Rights Offering is subject to you providing the administrative questionnaire, all know-your-customer information, tax forms and other documents required by the Agent and the Agent's satisfactory review of such information and documents (as determined in the sole discretion of the Agent).

Neiman Marcus Group LTD LLC and certain of its affiliates have filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code and are operating their businesses and managing their property as debtors-in-possession pursuant to the Bankruptcy Code.

Nothing herein, nor in any of the accompanying forms and letters, shall constitute or be deemed to constitute a solicitation by any party of votes to approve or reject a Chapter 11 plan for any debtor. A solicitation with respect to votes to approve or reject a Chapter 11 plan only may be commenced once a disclosure statement that complies with Section 1125 of the Bankruptcy Code has been approved by the Bankruptcy Court.

**Annex I-B to
EXIT LOAN RIGHTS OFFERING PROCEDURES**

NOMINEE CERTIFICATION OF RECORD DATE HOLDINGS FOR PREPETITION NOTES

Your ownership of Prepetition Notes must be confirmed to participate in the Exit Loan Rights Offering

The nominee holding your Prepetition Notes as of the Record Date, must complete Box A on your behalf. Box B is only required if any or all of your Prepetition Notes were on loan as of the Record Date (as determined by your nominee). Please attach a separate Nominee Certification if your Prepetition Notes are held through more than one nominee. Please also attach an authorized signatory list confirming that the beneficial holder listed below owned the position(s) listed in Box A and/or Box B as of the Record Date.

Box A
For Use Only by the Nominee
DTC Participant Name: _____
DTC Participant Number: _____
Principal Amount of Prepetition Second Lien Notes (CUSIP Nos. 64021V AE2, U63127 AC5) held by this account as of the Record Date:
\$ _____ principal amount of CUSIP 64021V AE2
\$ _____ principal amount of CUSIP U63127 AC5
Principal Amount of Prepetition 8.000% Third Lien Notes (CUSIP Nos. 64021V AA0, 64021V AB8, U63127 AA9) held by this account as of the Record Date:
\$ _____ principal amount of CUSIP 64021V AA0
\$ _____ principal amount of CUSIP 64021V AB8
\$ _____ principal amount of CUSIP U63127 AA9
Principal Amount of Prepetition 8.750% Third Lien Notes (CUSIP Nos. 64021V AC6, 64021V AD4, U63127 AB7) held by this account as of the Record Date:
\$ _____ principal amount of CUSIP 64021V AC6
\$ _____ principal amount of CUSIP 64021V AD4
\$ _____ principal amount of CUSIP U63127 AB7
Nominee authorized signatory: _____
Nominee contact name: _____
Nominee contact email: _____
Contact telephone number: _____
Beneficial holder name: _____

Box B
Nominee Proxy - <u>Only if Needed</u>
DTC Participant Name: _____
DTC Participant Number: _____
Principal Amount of Prepetition Second Lien Notes (CUSIP Nos. 64021V AE2, U63127 AC5) held by this account as of the Record Date:
\$ _____ principal amount of CUSIP 64021V AE2
\$ _____ principal amount of CUSIP U63127 AC5
Principal Amount of Prepetition 8.000% Third Lien Notes (CUSIP Nos. 64021V AA0, 64021V AB8, U63127 AA9) held by this account as of the Record Date:
\$ _____ principal amount of CUSIP 64021V AA0
\$ _____ principal amount of CUSIP 64021V AB8
\$ _____ principal amount of CUSIP U63127 AA9
Principal Amount of Prepetition 8.750% Third Lien Notes (CUSIP Nos. 64021V AC6, 64021V AD4, U63127 AB7) held by this account as of the Record Date:
\$ _____ principal amount of CUSIP 64021V AC6
\$ _____ principal amount of CUSIP 64021V AD4
\$ _____ principal amount of CUSIP U63127 AB7
Nominee authorized signatory: _____
Nominee contact name: _____
Nominee contact email: _____
Contact telephone number: _____
Beneficial holder name: _____

**Annex I-C to
EXIT LOAN RIGHTS OFFERING PROCEDURES**

NOMINEE CERTIFICATION OF RECORD DATE HOLDINGS FOR PREPETITION DEBENTURES

Your ownership of Prepetition Debentures must be confirmed to participate in the Exit Loan Rights Offering

The nominee holding your Prepetition Debentures as of the Record Date must complete Box A on your behalf. Box B is only required if any or all of your Prepetition Debentures were on loan as of the Record Date (as determined by your nominee). Please attach a separate Nominee Certification if your Prepetition Debentures are held through more than one nominee. Please also attach an authorized signatory list confirming that the beneficial holder listed below owned the position(s) listed in Box A and/or Box B as of the Record Date.

Box A For Use Only by the Nominee
DTC Participant Name: _____
DTC Participant Number: _____
Principal Amount of Prepetition Debentures (CUSIP No. 640204 AB 9) held by this account as of the Record Date: \$ _____ principal amount
Nominee authorized signatory: _____
Nominee contact name: _____
Nominee contact email: _____
Contact telephone number: _____
Beneficial holder name: _____

Box B Nominee Proxy - <u>Only if Needed</u>
DTC Participant Name: _____
DTC Participant Number: _____
Principal Amount of Prepetition Debentures (CUSIP No. 640204 AB 9) held on behalf of, and hereby assigned to, the Nominee listed in Box A as of the Record Date: \$ _____ principal amount
Nominee authorized signatory: _____
Nominee contact name: _____
Nominee contact email: _____
Contact telephone number: _____
Beneficial holder name: _____

**Annex II to
EXIT LOAN RIGHTS OFFERING PROCEDURES**

[SEE SIGNATURE PAGE BELOW]

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

[INSERT ENTITY NAME]:

By: _____
Name:
Title:

If a second signature is necessary:

By: _____
Name:
Title:

ADMINISTRATIVE QUESTIONNAIRE⁷

[Fund Name]

[Fund Address]

Tax Payer ID:

Administrative Details

Payment Instructions

USD:

Bank Name:

ABA:

Account Name:

Account Number:

Attn:

Signature Block

[Fund Name:]

By: _____

Contacts

Operations (Agent Notices):

[Fund Name]

Address:

Attn:

Phone:

Fax:

E-mail:

Credit/Legal (Public/Private): [Fund Name]

Address:

Attn:

Phone:

Fax:

E-mail:

⁷ The Agent will accept other formats in its sole discretion.

DESCRIPTION OF REQUIRED KYC INFORMATION

The Agent will be afforded sufficient time before closing of the syndication and in advance of any monies being funded to complete customary know-your-customer and tax withholding analyses, confirmation of wiring instructions, and other related administrative matters, including:

1. Administrative Questionnaire attached as Annex III (Operations/Credit Contact & Wire Instructions)
2. Formation Documents
 - a. **Limited Liability Company:** Recorded Articles of Organization
 - b. **Limited Partnership:** Certificate of Limited Partnership
 - c. **Corporation:** Recorded Articles of Incorporation
 - d. **Trust:** Trust Agreement and Trustee Certificate
3. Tax Forms described in Annex V

**Annex V to
EXIT LOAN RIGHTS OFFERING PROCEDURES**

DESCRIPTION OF REQUIRED TAX FORMS

Tax Form W-9 or W-8

DESIGNATION NOTICE

Date: _____, 2020

To: Cortland Products Corp. as Administrative Agent (the “**Agent**”)

cc: Ducera Partners LLC (“**Ducera**”); Houlihan Lokey (“**Houlihan**”); Wachtell, Lipton, Rosen & Katz; Paul, Weiss, Rifkind, Wharton & Garrison LLP; Neiman Marcus Group LTD LLC

Re: Designation by ELIGIBLE HOLDER (the “Eligible Holder”) of RELATED LENDER (the “Designee”)

Reference is made to the Exit Loan Rights Offering Procedures, dated July 20, 2020 (the “**Exit Loan Rights Offering Procedures**”) sent to Eligible Holders by Neiman Marcus Group LTD LLC, a Delaware limited liability company (the “**Company**”). Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Exit Loan Rights Offering Procedures.

This constitutes notice that the Eligible Holder is designating the Designee as a Related Lender entitled to participate as an Exit Lender in the Exit Facility and therefore the Exit Commitments of such Eligible Holder (up to the Exit Designated Participation Amount, as defined below) shall be registered in the name of the Designee, subject to the Designee completing and executing the Exit Subscription Documents (other than the Subscription Form, which shall be completed by the Eligible Holder) and this Designation Notice, and delivering such documents to the Agent, Ducera, Houlihan, counsel to the Consenting Term Loan Lender Group and counsel to the Consenting Noteholder Group in accordance with the Exit Loan Rights Offering Procedures. The designation to the Designee as provided hereunder is subject in all respects to the Designee providing the administrative questionnaire and all know-your-customer information, tax forms, and other documents required by the Agent and the Agent’s satisfactory review of such information and documents in accordance with the Exit Loan Rights Offering Procedures.

The Eligible Holder hereby designates (complete all that apply):

- (A) _____% of its Exit Commitments in respect of its Extended Term Loan Exit Ratable Share;
- (B) _____% of its Exit Commitments in respect of its Prepetition 2013 Term Loan Exit Ratable Share;
- (C) _____% of its pro rata portion of the Exit Commitments in respect of its Prepetition Debenture Exit Ratable Share;
- (D) _____% of its pro rata portion of the Exit Commitments in respect of its Prepetition 2L Note Exit Ratable Share; and
- (E) _____% of its pro rata portion of the Exit Commitments in respect of its Prepetition 3L Note Exit Ratable Share.

(collectively, the “**Exit Designated Participation Amount**”) to Designee (with the remaining allocated to Eligible Holder (or another designee pursuant to a separate designation notice) to the extent applicable).

Furthermore, the Designee hereby confirms that, as of the date hereof, each of the representations set forth in the Exit Loan Rights Offering Procedures (including those set forth in the Subscription Form)

(excluding those in clause (i) of the first bullet point of Item 1) are accurate as applied to the Designee in the place of the Eligible Holder. Designee hereby agrees to be bound by the terms of the Exit Loan Rights Offering Procedures (including those set forth in the Subscription Form) as though Designee were an Eligible Holder, including, without limitation, the obligations to deliver completed and executed Subscription Documents (other than the Subscription Form) and this Designation Notice to the Agent, Ducera, Houlihan, counsel to the Consenting Term Loan Lender Group and counsel to the Consenting Noteholder Group.

[Signature page follows]

Sincerely,
[ELIGIBLE HOLDER]

By: _____
Name:
Title:

[DESIGNEE]

By: _____
Name:
Title:

Federal Tax I.D. No.: _____
(If Applicable)

Facsimile Number: _____

Email Address: _____

Street Address: _____

City, State, Zip Code: _____

Telephone: () _____

Date Completed: _____

**Exhibit B to
EXIT LOAN RIGHTS OFFERING PROCEDURES**

EXIT FACILITY TERM SHEET

[See attached]

Exit Facility Term Sheet¹

Borrower:	Reorganized Neiman Marcus Group LTD LLC, a Delaware limited liability company (together with any co-borrower to be agreed prior to the Effective Date, the “ <u>Borrower</u> ”)
Administrative Agent and Collateral Agent:	Cortland Products Corp. (in its capacity as administrative agent, the “ <u>Administrative Agent</u> ”, and in its capacity as collateral agent, the “ <u>Collateral Agent</u> ”)
Backstop Lenders:	(I) certain funds or accounts affiliated with Pacific Investment Management Company LLC, Sixth Street Partners, LLC and Davidson Kempner Capital Management LP and (II) certain existing noteholders constituting the Consenting Noteholder Group on the date hereof ((I) and (II) collectively, the “ <u>Backstop Lenders</u> ”), in accordance with the Commitments set forth on Schedule 1 hereto under the heading “Backstop Commitments” (the “ <u>Exit Backstop Commitments</u> ”). Each Backstop Lender may, at its option, arrange for the Definitive Documentation (as defined below) to be executed as an initial lender by, and the Commitment of some or all of the Backstop Lender funded by, one or more financial institutions selected by the applicable Backstop Lender and reasonably acceptable to the Borrower and the Administrative Agent (the “ <u>Fronting Lender(s)</u> ”), in which case the applicable Backstop Lender will acquire its Term Loans by assignment from the Fronting Lender(s) in accordance with the assignment provisions of the Definitive Documentation.
Joinder Lenders	Each Consenting Term Loan Lender, Consenting Noteholder and Consenting Debenture Party that elects to participate in the Exit Opportunity (as defined in the Restructuring Term Sheet) no later than seven (7) Business Days after the Exit Syndication Procedures (as defined in the Restructuring Term Sheet) are distributed (including the day distributed) (the “ <u>Joinder Lenders</u> ”), in accordance with the Commitments set forth on Schedule 1 hereto under the heading “Post-Joinder Commitments”; provided that, the Backstop Lenders shall use commercially reasonable efforts to cause the Exit Syndication Procedures to be distributed by no later than 10:00 am New York Time on the Business Day following the date that the Interim DIP Financing Order is entered by the Bankruptcy Court (or such later date as agreed by the Borrower and the Majority Exit Backstop Lenders (as defined below)). “ <u>Majority Exit Backstop Lenders</u> ” means, at any time, Backstop Lenders having

¹ Capitalized terms used but not defined in this Exit Facility Term Sheet have the meanings ascribed to them in the Restructuring Support Agreement, dated as of May 7, 2020 (the “**Restructuring Support Agreement**”) to which this Exit Facility Term Sheet is attached.

Exit Backstop Commitments outstanding that, taken together, represent at least 66.7% of the sum of all Exit Backstop Commitments outstanding at such time; *provided*, that Majority Exit Backstop Lenders must include at all times at least three unaffiliated Backstop Lenders.

Lenders:

To the extent set forth in the Restructuring Term Sheet, holders of 2019 Extended Term Loan Claims, 2013 Term Loan Claims, 2028 Debenture Claims, Second Lien Notes Claims and Third Lien Notes Claims against the Company Parties will have the ability to participate in the Term Loan Facility (as defined below) in proportion to the equity distribution on account of their claims under the Plan (together with the Backstop Lenders and the Joinder Lenders, the “**Lenders**”)

Term Loan Facility:

First lien senior secured term loan facility in an aggregate original principal amount of \$750 million, denominated in US Dollars (the “**Term Loan Facility**”, the commitments thereunder, the “**Commitments**” and the loans thereunder the “**Term Loans**”).²

Use of Proceeds:

The proceeds of the Term Loans shall be used to refinance the Superpriority Secured Debtor-in-Possession Credit Agreement, to be dated on or about May 8, 2020, among the Borrower, the lenders party thereto, Cortland Products Corp., as administrative agent and collateral agent, and the other parties thereto (the “**DIP Credit Agreement**”), and for general corporate purposes.

Definitive Documentation:

The definitive documentation for the Term Loan Facility (the “**Definitive Documentation**”) shall, except as otherwise set forth herein, be based on and substantially consistent with the Term Loan Credit Agreement, dated as of October 25, 2013 (as amended, supplemented or otherwise modified prior to the date hereof, including by that certain Refinancing Amendment, dated as of March 13, 2014 and that certain Extension Amendment and Amendment No. 2 to the Credit Agreement, dated as of June 7, 2019), by and among Mariposa Intermediate Holdings LLC, Neiman Marcus Group LTD LLC, certain Company Parties party thereto, Credit Suisse, Cayman Islands Branch, as the administrative agent and the collateral agent, and certain lenders party thereto from time to time (the “**Prepetition Term Loan Credit Agreement**”), (i) as modified by the terms set forth herein, (ii) subject to modifications to reflect changes in law or accounting standards since the date of such precedent and administrative agency, collateral agency and operational

² The parties agree that a portion of the Term Loan Facility will be made available as notes with substantially identical terms to the Term Loans and voting together with Term Loans and will reasonably cooperate with one another to implement such arrangements.

requirements of the Administrative Agent and Collateral Agent and (iii) with such other terms and conditions as may be reasonably agreed between the Company Parties, the Required Consenting Term Loan Lenders, and to the extent that the Consenting Noteholders would reasonably be expected to be affected in a disproportionately adverse manner relative to the other Lenders, the Required Consenting Noteholders. The Definitive Documentation shall be negotiated in good faith within a reasonable time period to be determined based on the expected date of Bankruptcy Court’s entry into the Confirmation Order. This paragraph, collectively, is referred to here as the “**Documentation Principles**”.

- Incremental Facility:** None.
- Availability:** Amounts available under the Term Loan Facility shall be available in a single draw on the Effective Date (as defined below).
- Maturity Date:** 5 years after the Effective Date.
- Amortization:** Commencing with the last day of the first full calendar quarter following the Effective Date, the outstanding principal amount of the Term Loans will be payable on each calendar quarter in equal amounts of 1.00% *per annum* of the original principal amount of the Term Loan, with the remaining balance, together with all other amounts owed with respect thereto, payable on the Maturity Date, subject to reduction pursuant to the prepayment provisions to be mutually agreed in the Definitive Documentation.
- Voluntary Prepayments:** The Borrower may make voluntary prepayments of the Term Loans, in each case, in whole or in part, at any time, at par *plus* the prepayment premium set forth below (expressed as a percentage of the principal amount being prepaid as set forth opposite the relevant period indicated below, the “**Prepayment Premium**”), *plus* accrued and unpaid interest to the prepayment date and in aggregate minimum amounts, and integral multiples in excess thereof, to be agreed.

Prepayment Date	Prepayment Premium
After the Effective Date and prior to the first anniversary of the Effective Date	a customary make-whole premium (using a discount rate of T+50 basis points)
On or after the first anniversary of the Effective Date and prior to the second anniversary thereof	4.00%

On or after the second anniversary of the Effective Date	0.00%
--	-------

The Prepayment Premium shall be expressly payable in respect of any repayment prior to the Maturity Date that is prior to the second anniversary of the Effective Date, including upon any acceleration of maturity for any reason.

Voluntary prepayments of the Term Loans shall be applied to reduce amortization payments in respect thereof in direct order of maturity.

Mandatory Prepayments:

100% of the Net Cash Proceeds (defined in a manner substantially similar to the Prepetition Term Loan Credit Agreement) of non-ordinary course asset sales or other dispositions of property by the Borrower and its subsidiaries (including insurance and condemnation proceeds and sale leaseback proceeds) (each, an “**Asset Sale**”) in excess of an aggregate amount to be agreed for any fiscal year and subject to the right to reinvest 100% of such proceeds, if such proceeds are reinvested (or committed to be reinvested) in the business, including in permitted acquisitions or capital expenditures, within 12 months and, if so committed to be reinvested, so long as such reinvestment is actually completed within 18 months.

100% of the Net Cash Proceeds of the incurrence of debt obligations of the Borrower and its subsidiaries after the Effective Date (excluding any debt permitted to be incurred under the Exit Credit Agreement (as defined below)).

Beginning with the end of the fiscal year of the Borrower ending on July 30, 2022, 50% (subject to step-downs to 25% and 0% based on total leverage ratio (to be defined in a manner to be mutually agreed) levels to be agreed) of Excess Cash Flow (to be defined in a manner to be agreed) of the Borrower and its subsidiaries shall be used to prepay the Term Loans or, no more than ratably, other indebtedness secured by a lien on the Collateral that ranks pari passu with the liens that secure the Term Loans, on an annual basis; *provided* that any voluntary prepayment of Term Loans (excluding in all cases prepayments funded with the incurrence of indebtedness for borrowed money (other than revolving indebtedness)) shall be credited against Excess Cash Flow prepayment obligations for such fiscal year on a dollar-for-dollar basis.

Backstop Fee:

The Borrower agrees to pay to the Backstop Lenders (or their designated Related Lenders (as defined below)) a backstop fee (the “**Backstop Fee**”) equal to the product of 1.50% and \$750 million, (i) 90.5% of which fee shall be earned, due and payable in cash prior to the Agreement Effective Date to the members of the Consenting Term Loan Lender Group and (ii) 9.5% of which fee shall be earned, due and payable in cash prior to the Agreement Effective Date to the members of the Consenting Noteholder Group.

Post-Joinder Fee:

The Borrower agrees to pay to the Backstop Lenders and the Joinder Lenders (or their respective designated Related Lenders) a fee equal to the product of 6.50% and the aggregate principal amount of Commitments on the Effective Date (the “**Post-Joinder Fee**”), which fee (i) shall be shared on a pro rata basis by the Backstop Lenders and the Joinder Lenders based on each Backstop Lender’s and Joinder Lender’s Commitment set forth on Schedule 1 hereto under the heading “Post-Joinder Commitments”, (ii) shall be earned on the Agreement Effective Date and (iii) shall be due and payable on the Effective Date in Reorganized Equity (as defined in the DIP Credit Agreement), in the aggregate amount equal to (x) the Post-Joinder Fee *divided by* (y) 65.0% of the Plan Equity Value (as defined in the Restructuring Term Sheet).

“**Related Lender**” shall mean one or more of a Lender’s affiliates or funds or accounts that are managed, advised or sub-advised by such Lender.

Participation Fees:

The Borrower agrees to pay to the Lenders (or their designated Related Lenders) a participation fee equal to 30.00% of the Reorganized Equity (as defined in the DIP Credit Agreement) (subject to dilution from shares allocated pursuant to the post-emergence management incentive plan and shares issuable upon exercise of the New Warrants (as defined in the Restructuring Term Sheet)), which fee (i) shall be shared on a pro rata basis by the Lenders based on each Lender’s Commitment immediately prior to the Effective Date and (ii) shall be earned, due and payable on the Effective Date.

Notwithstanding the foregoing, at each Lender’s option and upon such Lender’s written designation (which may be provided by electronic communication), the Participation Fees may be payable to Related Lenders.

Interest:

ABR (defined in a manner substantially similar to the Prepetition Term Loan Credit Agreement) *plus* 11.00% per annum in cash or Adjusted LIBO Rate (defined in a manner substantially similar to

the Prepetition Term Loan Credit Agreement) *plus* 12.00% per annum in cash (subject to a 0.00% per annum floor on ABR and a 1.00% per annum floor on the Adjusted LIBO Rate), at the Borrower's election.

Guarantees:

All obligations of the Borrower under the definitive credit agreement for the Term Loan Facility (the "**Exit Credit Agreement**") and the related guarantee and collateral agreement, mortgage agreements and other collateral documents (together with the Exit Credit Agreement, the "**Loan Documents**") (collectively, the "**Borrower Obligations**") will be unconditionally guaranteed jointly and severally on a senior basis (the "**Guarantees**") by each existing and subsequently acquired or organized direct or indirect subsidiary of the Borrower (other than customary excluded subsidiaries to be mutually agreed) (the "**Subsidiary Guarantors**") and reorganized Mariposa Intermediate Holdings LLC ("**Holdings**") and together with the Subsidiary Guarantors, the "**Guarantors**", and the Guarantors, together with the Borrower, the "**Loan Parties**").

Security:

Subject to the intercreditor agreement described below under "**Intercreditor Agreement**" and other customary limitations and exclusions to be mutually agreed, the Borrower Obligations and the Guarantees (collectively the "**Secured Obligations**") will be secured on a first priority basis by substantially all assets of the Loan Parties (collectively, the "**Collateral**"). The pledge of, security interest in, and mortgages on, the Collateral granted by each Loan Party shall secure its own respective Secured Obligations.

All of the foregoing described in this section and the "Guarantees" section above, the "**Collateral and Guarantee Requirement**".

Conditions to Borrowings:

The availability of the Term Loans under the Exit Credit Agreement will be subject solely to satisfaction (or waiver) of the following conditions (the date on which such conditions are satisfied (or waived) being the "**Effective Date**"):

- execution and delivery of the Definitive Documentation to be delivered at closing;
- delivery of promissory notes to the Lenders, if requested at least two (2) Business Days before the Effective Date;

- delivery of board resolutions and organizational documents of the Loan Parties;
- delivery of incumbency/specimen signature certificate of the Loan Parties;
- delivery of customary legal opinions by appropriate counsel to the Borrower;
- simultaneously with the funding of the Term Loan Facility, repayment in full of the obligations under the DIP Credit Agreement (other than inchoate indemnity and reimbursement obligations), termination of the commitments thereunder and release of all liens granted thereunder;
- there shall not have occurred since the Petition Date any event or condition that has had or would be reasonably expected, either individually or in the aggregate, to have a Material Adverse Effect (for purposes of this condition, defined in a manner substantially similar to the Prepetition Term Loan Credit Agreement but including the proviso regarding COVID-19 included in such definition in the DIP Credit Agreement);
- the Administrative Agent shall have received a certificate (in substantially the same form as the corresponding certificate delivered in connection with the Prepetition Term Loan Credit Agreement) of the chief financial officer (or financial officer in a similar role) of the Borrower, stating that it and its subsidiaries, taken as a whole, as of the Effective Date, are solvent, in each case, after giving effect to the consummation of the Plan;
- all fees due to the Administrative Agent, Collateral Agent and Lenders shall have been paid (or shall have been caused to be paid), and all expenses to be paid or reimbursed to the Administrative Agent, Collateral Agent and Lenders that have been invoiced at least two (2) Business Days prior to the Effective Date shall have been paid (or shall have been caused to be paid);
- the Loan Parties shall have provided the documentation and other information to the Administrative Agent that are required by regulatory authorities under applicable “know-your-customer” rules and regulations, including the Patriot Act, at least three (3) Business Days prior to the Effective

Date (or such later date agreed to by the Administrative Agent) to the extent requested ten (10) days prior to the Effective Date;

- the Bankruptcy Court shall have entered (A) the Confirmation Order and (B) one or more orders authorizing and approving the extensions of credit in respect of the Exit Credit Agreement, each in the amounts and on the terms set forth herein, and all transactions contemplated by the Exit Credit Agreement, and, in each case, such orders shall be in full force and effect and shall not have been stayed, reversed, vacated or otherwise modified;
- the Collateral and Guarantee Requirement (excluding certain customary post-closing items to be mutually agreed) shall have been satisfied or waived and the Intercreditor Agreement shall have been executed and delivered and be in full force and effect;
- the effective date under the Plan shall have occurred, or contemporaneous with the funding of the Term Loan Facility shall occur, and all conditions precedent thereto as set forth therein shall have been satisfied or waived;
- either (x) the Revolving Credit Agreement, dated as of October 25, 2013 (as amended, amended and restated or otherwise modified prior to the date hereof, the “**Existing ABL Credit Agreement**”), among the Borrower, the lenders party thereto, Deutsche Bank AG New York Branch, as administrative agent and collateral agent (the “**ABL Agent**”), and the other parties thereto shall have been renegotiated or reinstated on terms and conditions reasonably acceptable to the Required Consenting Term Loan Lenders, or (y) the Existing ABL Credit Agreement shall have been replaced with a new credit agreement providing asset-based lending facilities for working capital and other general corporate purposes of the Borrower and its subsidiaries on terms and conditions reasonably acceptable to the Required Consenting Term Loan Lenders (any such credit agreement, the “**ABL Credit Agreement**”, and the facility in place as of the Effective Date under either the Existing ABL Credit Agreement or the ABL Credit Agreement, the “**ABL Facility**”);
- Liquidity (as defined below) shall not be less than \$175 million;

- delivery of a customary borrowing notice;
- the accuracy of representations and warranties in all material respects (without duplication of any materiality qualifier) on the Effective Date (except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall be true and correct in all material respects (without duplication of any materiality qualifier) as of such earlier date; and
- the absence of the existence of any default or event of default.

“**Liquidity**” means, as of any time, the sum of (i) unrestricted domestic cash and cash equivalents of the Loan Parties and (ii) net availability under the ABL Facility.

Representations and Warranties:	Substantially similar to the Prepetition Term Loan Credit Agreement, subject to the Documentation Principles.
Affirmative Covenants:	Substantially similar to the Prepetition Term Loan Credit Agreement, subject to the Documentation Principles.
Negative Covenants:	Substantially similar to the Prepetition Term Loan Credit Agreement, subject to the Documentation Principles and subject to customary and usual exceptions, qualifications and “baskets” to be mutually agreed and set forth in the Exit Credit Agreement.
Holdings Covenant:	To the extent applicable, substantially similar to the Prepetition Term Loan Credit Agreement, subject to the Documentation Principles.
Financial Covenant:	Customary for transactions of this type, including a total leverage ratio and a fixed charge coverage ratio, and otherwise on terms (including holiday into fiscal year 2021) to be mutually agreed.
Unrestricted Subsidiaries:	None.
Events of Default:	Usual and customary for transactions of this type, subject to the Documentation Principles.
Voting:	Usual and customary for transactions of this type, subject to the Documentation Principles.
Required Lenders	Lenders having Term Loans and Commitments outstanding that, taken together, represent more than a percentage to be agreed of the

sum of all Term Loans and Commitments outstanding at such time; provided, that Required Lenders must include (i) at all times at least two unaffiliated Lenders and (ii) at any time when the Lenders consist of ten or more unaffiliated funds or investment advisors or managers of funds or accounts, at least three unaffiliated Lenders.

Intercreditor Agreement:	Usual and customary for transactions of this type, subject to Documentation Principles and based on that certain ABL/Term Loan/Notes Intercreditor Agreement, dated as of June 7, 2019, among Holdings, the ABL Agent, Credit Suisse AG, Cayman Islands Branch, as term loan agent, and the other parties thereto, except as otherwise agreed by the Required Consenting Term Loan Lenders.
Cost and Yield Protection:	Usual and customary for transactions of this type, subject to the Documentation Principles.
Defaulting Lenders:	Usual and customary for transactions of this type, subject to the Documentation Principles.
Assignments and Participations:	Usual and customary for transactions of this type, subject to the Documentation Principles.
Expenses and Indemnification:	Usual and customary for transactions of this type, subject to the Documentation Principles (including, but limited to, the reasonable fees and expenses of no more than one counsel to the Required Lenders (other than the Administrative Agent), which counsel shall be Wachtell, Lipton, Rosen & Katz, and one counsel to the Administrative Agent.
Tax Treatment:	For tax purposes, unless otherwise required by a change in applicable tax law or contrary determination (as defined in Section 1313(a) of the Internal Revenue Code of 1986, as amended), the parties agree to (i) treat the Backstop Fees and the Post-Joinder Fees as premium paid by the Borrower to the Backstop Lenders and/or Joinder Lenders, as applicable, in exchange for the issuance of a put right to the Borrower with respect to the Term Loans, (ii) treat the Reorganized Equity issued to the Lenders pursuant to the Participation Fee as acquired by the Lenders at the Effective Date in exchange for cash (as part of an investment unit with the Term Loans) and (iii) not take any tax position inconsistent with the tax treatment described in clause (i) or (ii).
Governing Law and Forum:	New York.